

PORT OF MOBILE (Alabama State Docks)

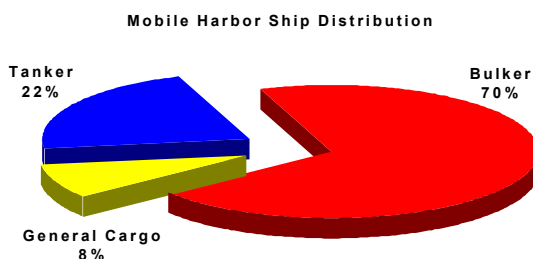
Geographic Location

The Alabama State Docks, which comprise the public facilities of the Port of Mobile, are located along the Intercoastal Waterway approximately 32 miles from the Gulf of Mexico. The Alabama State Docks also has ten inland docks on four river systems (Tennessee, Chattahoochee, Alabama, and Warrior/Tombigbee). The entire port complex has direct access to more than 1,500 miles of navigable inland barge routes, as well as to the 16,000 miles of interstate barge lanes in the Tennessee-Tombigbee Waterway. Channel depths in the Port range from 40 feet to 45 feet.

Ranking, Tonnage, and Ship Type

In 1995, the Port handled 50.9 million tons of cargo and was ranked eleventh in the Nation. In 1996, the Port ranked twelfth, handling the same tonnage as 1995.

1996 Mobile Harbor Shipping		
Ship Type	Number	1996 Tonnage
Bulker	88	35,649,431
General Cargo	178	4,133,287
Tanker	76	11,081,226
Total	342	50,863,944



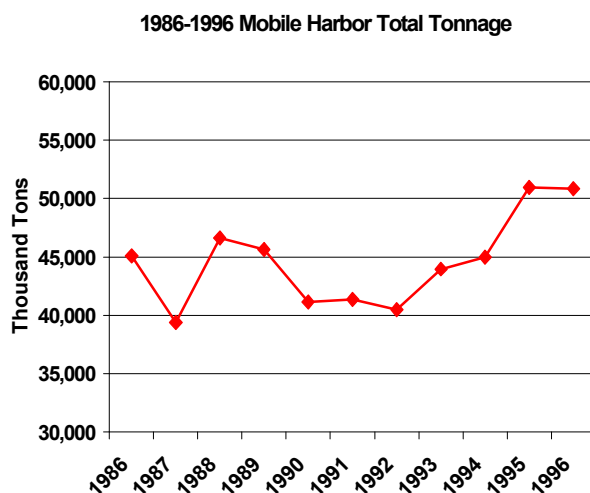
Forest products are the primary outbound general cargoes at the Alabama State Docks—comprising nearly 50 percent of total forest products moving through the Gulf Coast region. The highest export tonnage is coal. Another high-tonnage outbound product is petroleum. Primary inbound cargo at the Port of Mobile includes petroleum, coal, and iron ore.

Facilities

General cargo facilities at the Alabama State Docks include 27 berths, RoRo accessibility, container-port operations, and over four million square feet of cargo handling area adjacent to piers and tracks. The

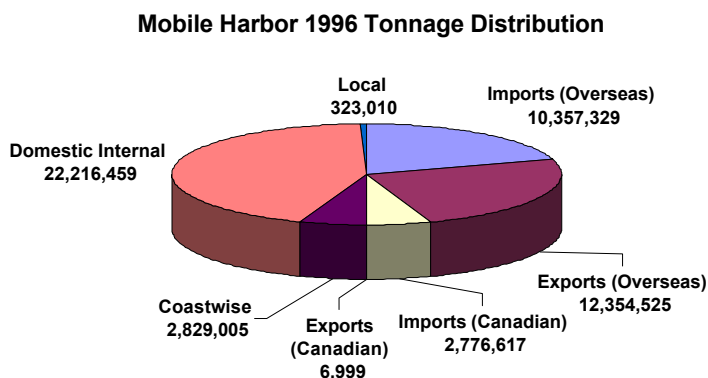
general cargo capabilities have been greatly enhanced in recent years, with about \$80 million invested in capital improvement projects, including new state-of-the-art wharves and warehouses.

The McDuffie Terminal bulk coal facility is the largest on the Gulf Coast and the second largest in the United States. In recent years, McDuffie has exported more coking coal than any other facility of its kind in the United States. Ship berths are dredged to 45 feet and can accommodate ships up to 985 feet. Storage space is available for two million tons of coal. More that \$65 million has been expended on the McDuffie Terminal improvements in recent years.



The Bulk Material Handling Plant, located at Three Mile Creek, provides handling of both import and export bulk commodities, such as iron ore pellets, ilmenite, coke, import coal, gypsum, copper slag, and other bulk materials. The facility's ship berths can accommodate vessels drawing up to 40 feet. Covered storage is available for 155,000 tons of dry bulk materials. Up to 800,000 tons of bulk commodities can be placed in open storage.

The grain elevator installation is leased to private industry and a storage capacity of 1 million



bushels. The port is currently removing three of the grain elevators to make room for more general cargo space. Ships of up to 985 feet long can be accommodated at the 800-foot-long Riverside berth.

Ballast Water Issues in the Port

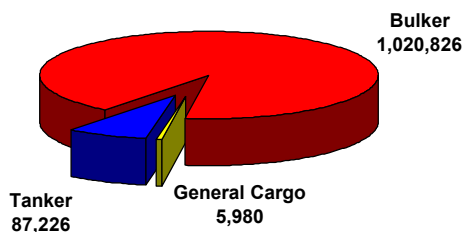
The uptake and discharge of ballast water in the Port of Mobile and Mobile Bay is a function of the need to maintain maneuverability, the amount of cargo, and the need to negotiate channel depth and bridges. The inner harbor is accessible to ships drawing 40 feet of water. The main channel depth is 45 feet. Bulkers in the overseas export trade, like at other ports, are the primary contributors of foreign and open-ocean ballast waters to the Port of Mobile and Mobile Bay.

Bulker traffic at Mobile is primarily grain, coal, and wood chips. Currently, most wood chip exports are to Japan. The Mobile Harbormaster reports that some incoming bulkers will deballast while approaching the turning basin to save tug time and money. After the turn, the bulkers reballast with channel water to lessen air draft as they proceed Gulfward to the loading pier, where they again deballast water. Final deballasted water at the loading pier is a mixture of foreign port (LPOC) water, offshore water (if exchange was conducted), and inland channel water.

In 1996, exports to overseas and Canadian ports from the Alabama State Docks accounted for 12.3 million tons and 24 percent of total annual cargo.

The total ballast water released from ocean-going vessels at Mobile in 1996 is estimated at 1.1 million metric tons. This equates to 293 million gallons per year, or approximately 558 gallons per minute.

Mobile Harbor 1996 Ballast Water Releases by Ship Type
(data are metric tons; multiply by 263.5 to calculate gallons)



Future Plans for the Port

On June 12, 1998, Alabama Governor Fob James announced support for \$200 million of improvements for the Alabama State Docks. The first \$100 million will be used to improve existing facilities. Included in this increment are funds to rehabilitate the North B warehouse; rehabilitate Slip C; upgrade, replace, and/or restore terminal Railway locomotives; improve and/or restore 15 miles of rail track; prepare the grain elevator area for a new warehouse and open storage area; and renovate the Bulk Material Handling Plant. The second \$100 million will be used to design, build, and operate a new intermodal facility. The new terminal facility is planned for Dock-owned land below the tunnels and adjacent to the 45-foot channel. There will be two berths capable of serving Cape-size and Panamex-size vessels. Four container cranes, rail barge service (to Mexico and points south), and facilities for handling metals and other commodities are also planned. Additionally there are investment plans with the City of Mobile to provide support services for cruise ships.